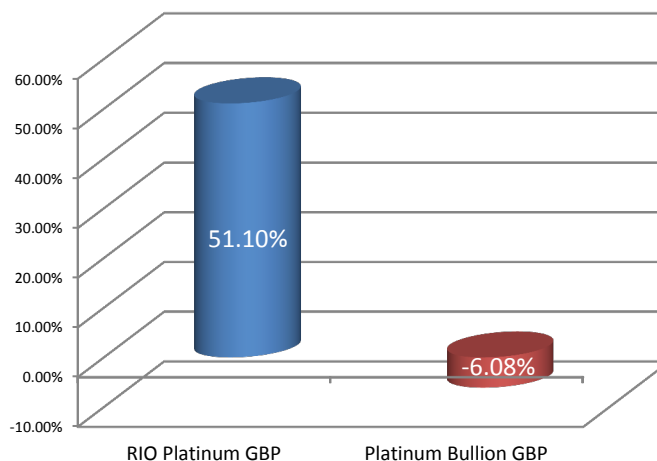




RIO PLATINUM ACCOUNT GBP

Investment Manager Comments

The RIO Platinum Account (GBP) has posted a more than reasonable gain this month, up 1.91%. To date it has significantly outperformed its benchmark return, having generated a positive 51.10%, much to the satisfaction of those invested. To put the performance into perspective physical Platinum (which has not been actively traded) has returned a loss of 6.08% in the same period.



On 4th September I bought Platinum at 607.36, utilizing 10% of the cash held to do so, and added to the metal held on Friday 7th, acquiring Platinum at 605.32. Both trades proved justified as the metal indeed rallied, and I was able to take profits on the 24th at 634.10. The metal subsequently fell back to 624.52 by 8am on Monday 1st October, but this fall-back was short lived since, by Monday it had revisited 630. I expect that the rally will continue as we enter October and have already set a sell at 640 for 15% of the metal held by RIO Platinum.

RIO's active trading of the metal clearly demonstrates, and even underlines the shortcomings of the more common, but outdated buy and hold strategies used by many other investment houses. The additional work of an active management strategy may take far more effort but this, in turn, is reflected in the returns generated. It is obvious that active trading in today's metals market is vastly superior to any and all buy and hold strategies.

As for potential returns, currently Platinum remains oversold and under bought and, accordingly, there is additional upside potential in the short term. I would predict that this market could see some positive action in coming months. As for October it has the potential to be a rewarding month, in terms of trading opportunity.

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